Contracting Procedures and Forms: Below the SAT

Learning Objectives

Terminal Objectives

Produce the appropriate above and below simplified acquisition procedures threshold (SAT) contract actions based on a given scenario

Enabling Objectives

Demonstrate proper use of declared and non-declared contingency contracting thresholds

Distinguish between contract types

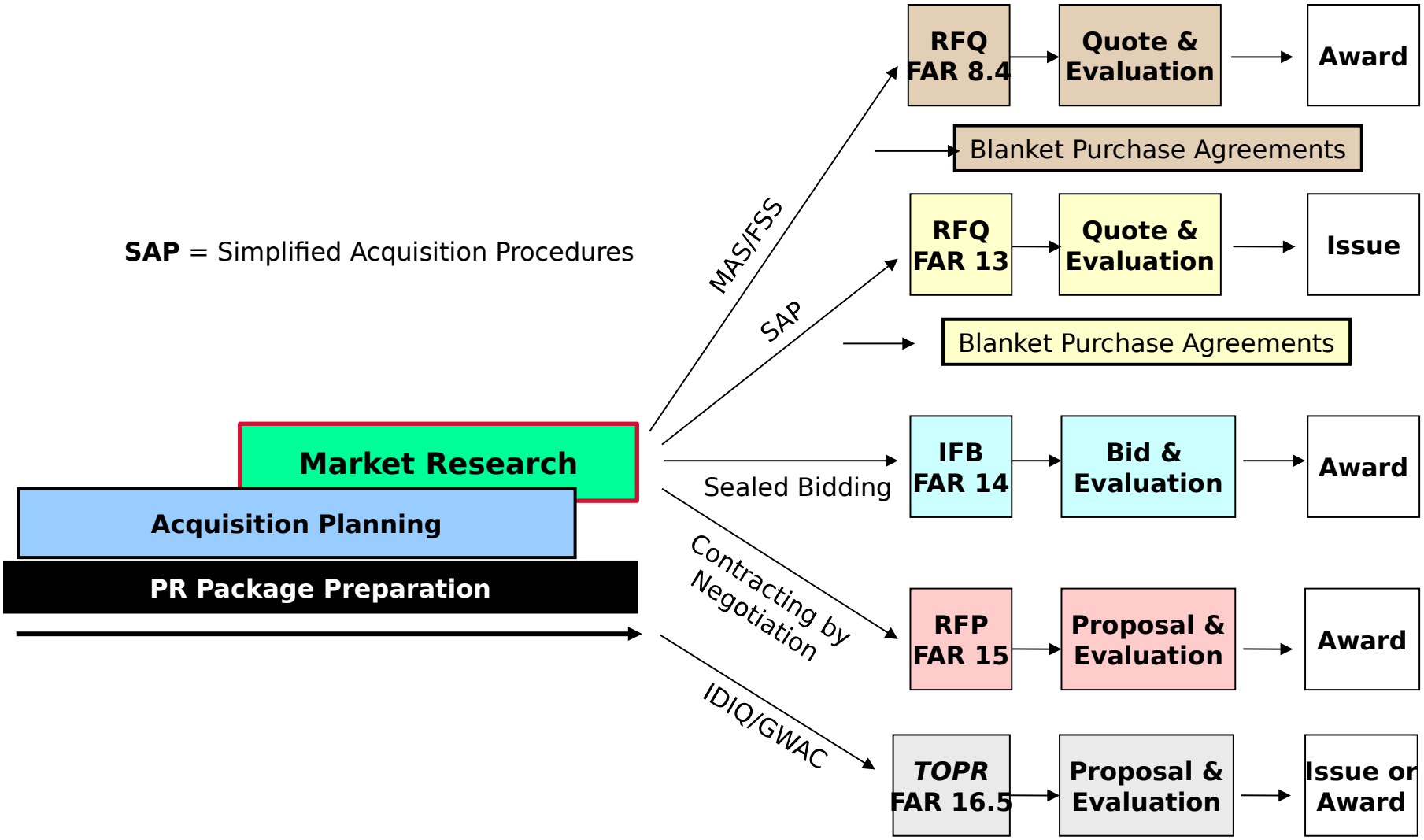
Complete contractual instruments based on a given contingency contracting requirement

Prepare requirements and actions in a

Dollar Thresholds

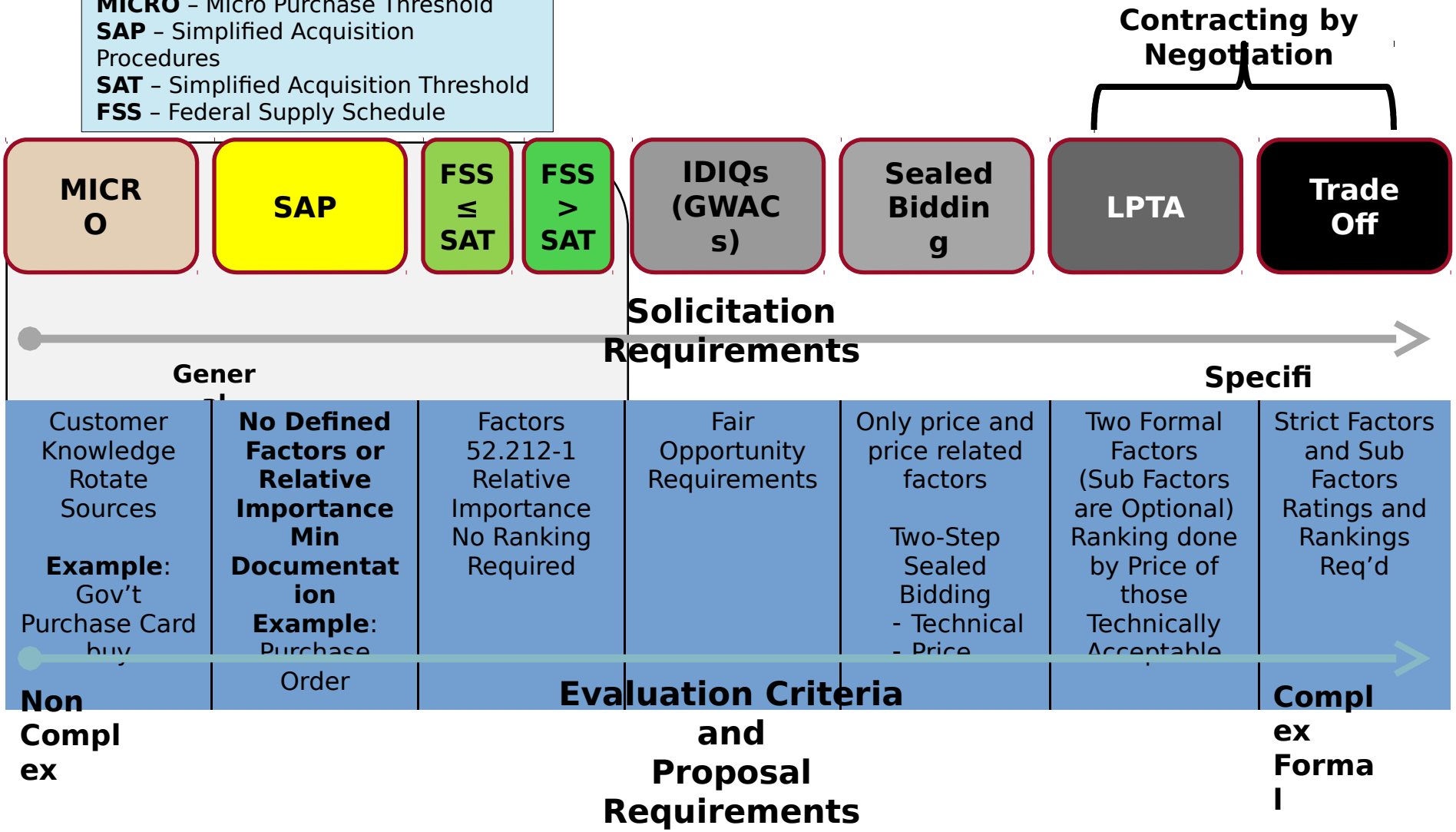
- **Micro-purchase $3,500**
  - **Construction $ 2,000**
  - **Services $2,500**
  - **Declared Contingencies (CONUS) $ 20,000**
  - **Declared Contingencies (OCONUS) $30,000**
- **Simplified Acquisition Threshold(s) $150,000**
  - **Declared Contingencies (CONUS) $ 300,000**
  - **Declared Contingencies (OCONUS) $ 1,000,000**
  - **Humanitarian/Peacekeeping operations $ 300,000**
- **SAP Commercial**
  - **Commercial Items/services $**

Acquisition Methods



Selecting a Source - Spectrum

MICRO – Micro Purchase Threshold
SAP – Simplified Acquisition Procedures
SAT – Simplified Acquisition Threshold
FSS – Federal Supply Schedule

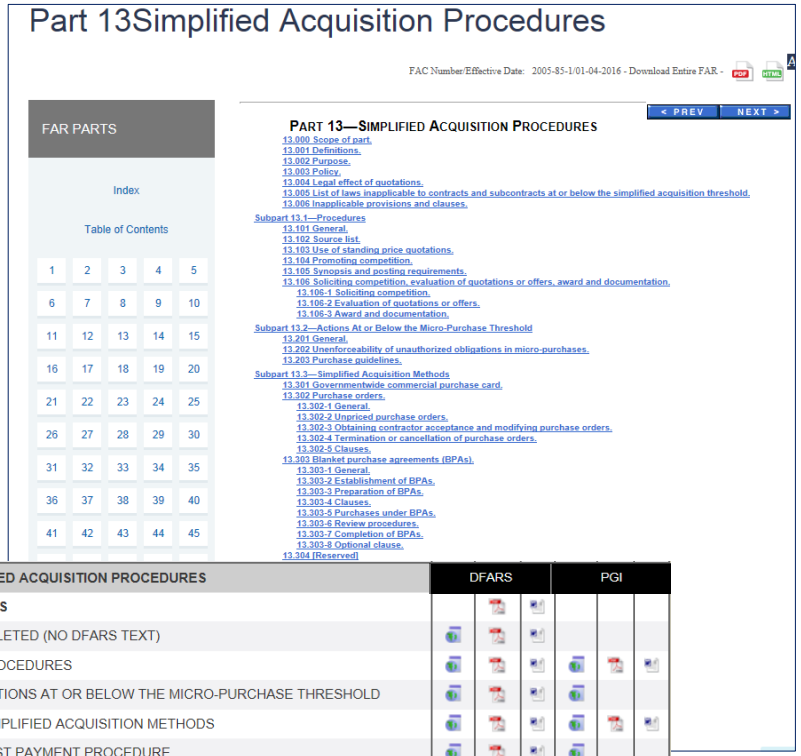


FAR Part 13

During most contingency operations, especially during the early phases AND if it is a declared contingency, most contract actions can be executed

understanding of the Competition Requirements Under SAP

The CCO ***must*** promote competition to the maximum extent practicable to obtain supplies and services from the source whose offer is fair and reasonable and the best val to the Government


Part 13Simplified Acquisition Procedures
FAC Number/Effective Date: 2005-85-1/01-04-2016 - Download Entire FAR -
FAR PARTS
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PART 13—SIMPLIFIED ACQUISITION PROCEDURES
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13.003 Policy.
13.004 Legal effect of quotations.
13.005 List of laws inapplicable to contracts and subcontracts at or below the simplified acquisition threshold.
13.006 Inapplicable provisions and clauses.
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13.302 Purchase orders.
13.302-1 General.
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13.303-1 General.
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PART 213 - SIMPLIFIED ACQUISITION PROCEDURES	DFARS			PGI		
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CCO's: Know what constitutes full and ope competition
when using simplified acquisition procedures!

Learn. Perform. Succeed

Micro Purchase Procedures

Guidance: FAR 13.2 and DFARS 213.2

- **General**
  - Agency heads encouraged to delegate micro-purchase authority
  - GCPC preferred method to purchase and pay
  - Do not require provisions or clauses, except as…
  - Subparts 23.1, 23.2, 23.4, and 23.7 apply
- **Purchase Guidelines**
  - Distributed equitably among qualified suppliers
  - Awarded without soliciting quotes if price is reasonable
  - Reasonableness need only be done if—
    - Suspects price may not be

Micro Purchase Methods

- **Government Commercial Purchase Card (GCPC)**
- **GCPC Convenience Checks**
- **SF44 and 3-in-1 Tool**
- **Blanket Purchase Agreements**
  - Decentralized Ordering Programs
- **GSA Advantage**
  - Use the GCPC

Gov't Commercial Purchase Card

GCPC and Convenience Checks have strict limits on what may ***not*** be procured:

- Incremental buying (*splitting* requirements)
- Cash advances
- Rental/lease of real estate
- Telecommunications
- Construction
- Other "Service specific" prohibitions

Guidance for establishment, operation, & oversight of GCPC programs is in the: "Department of Defense Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs"

Note: Most service component and agency level Regulations and Instructions only authorize warranted CCOs to use the GCPC in OCONUS contingency operations

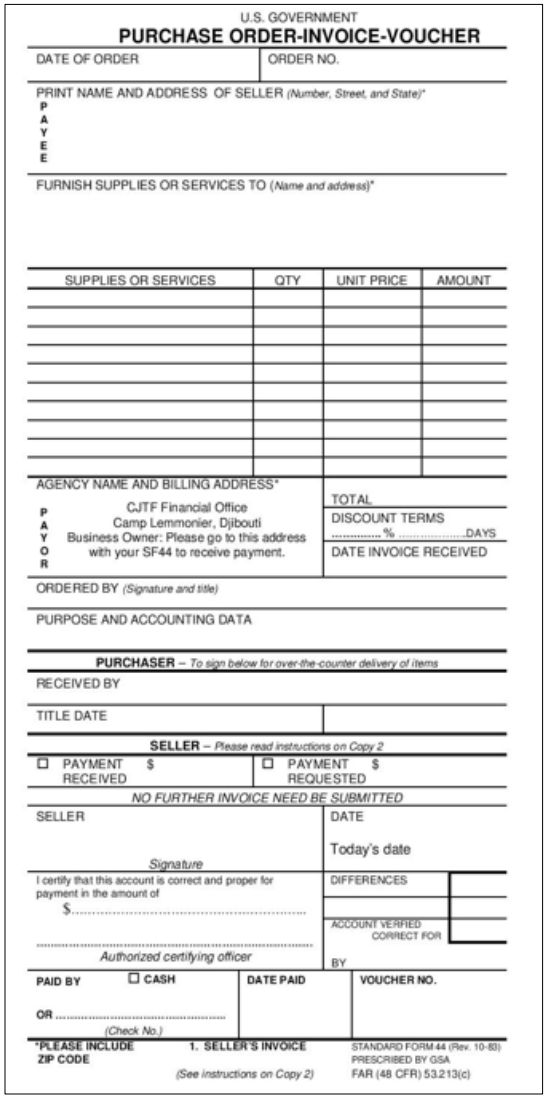
Transaction limits

- **$25,000**, if—
  - Purchase made outside the U.S. for use outside the U.S.; and
  - Commercial items *
- A **CCO** supporting contingency operations or humanitarian or peacekeeping operations may use GCPC up to the **SAT**, if --
  - The supplies or services are immediately available;
  - One delivery and one payment will be made *
- Up to **SAT** for FSS
- Up to **SAT** as *payment*

Standard Form 44 (SF44)

Multipurpose Form

- Controlled form contained in a booklet, each form has 4 carbon copies
  - White, Blue, Pink, and Green
- Transaction limit = Micro Purchase Threshold
- Supplies must be immediately available
- One delivery and one payment
- Warranted **CCO's** may use the SF44 up to the SAT for overseas transactions in support of "declared contingency" or humanitarian or peacekeeping operations



U.S. GOVERNMENT
PURCHASE ORDER-INVOICE-VOUCHER

DATE OF ORDER | ORDER NO.

PRINT NAME AND ADDRESS OF SELLER *(Number, Street, and State)*"
PAYEE

FURNISH SUPPLIES OR SERVICES TO (*Name and address*)*

SUPPLIES OR SERVICES	QTY	UNIT PRICE	AMOUNT

AGENCY NAME AND BILLING ADDRESS*
PAYOR
CJTF Financial Office
Camp Lemmonier, Djibouti
Business Owner: Please go to this address with your SF44 to receive payment.

TOTAL
DISCOUNT TERMS
..... % .....DAYS
DATE INVOICE RECEIVED

ORDERED BY *(Signature and title)*

PURPOSE AND ACCOUNTING DATA

PURCHASER – *To sign below for over-the-counter delivery of items*
RECEIVED BY
TITLE DATE

SELLER – *Please read instructions on Copy 2*
☐ PAYMENT RECEIVED $ | ☐ PAYMENT REQUESTED $
NO FURTHER INVOICE NEED BE SUBMITTED
SELLER
Signature
DATE
Today's date

I certify that this account is correct and proper for payment in the amount of
$.....
.....
Authorized certifying officer

DIFFERENCES
ACCOUNT VERIFIED CORRECT FOR
BY

PAID BY ☐ CASH
OR .....
(Check No.)
DATE PAID
VOUCHER NO.

*PLEASE INCLUDE ZIP CODE
1. SELLER'S INVOICE
(See instructions on Copy 2)
STANDARD FORM 44 (Rev. 10-83)
PRESCRIBED BY GSA
FAR (48 CFR) 53.213(c)

Automated SF44 (3-in-1 Tool)

Manual SF44 Limitations:

- Inability to leverage, analyze, and share data
- Time-consuming to analyze erroneous/fraudulent SF44s
- Can put clearing agents in danger
- Discrepancies/errors impact timely payment - hinder relations with local vendors

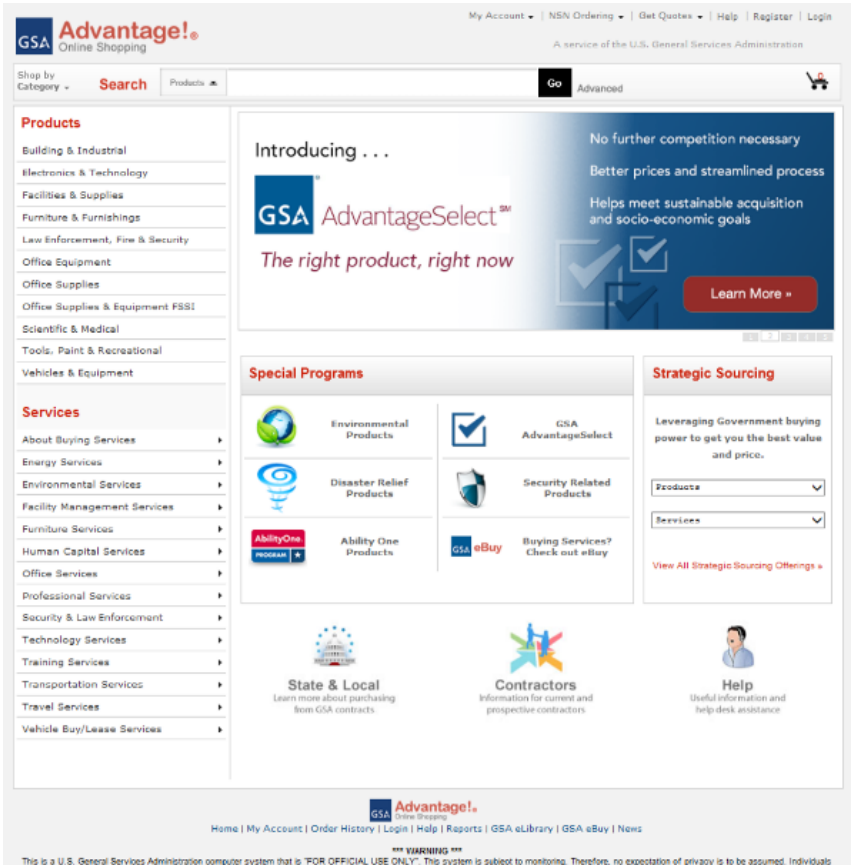
3-in-1 Tool Designed and Implemented to:

- Replace manual paper SF44 and ALL Excel, Word, or “home-grown” electronic approaches
- Reduce illegible, cumbersome, and inefficient manual procedure
- Overcome challenge of processing thousands of handwritten SF44s per month in theater
- Track/manage spend data and

Using GSA Advantage and FSS

Rapid way to procure commodities and supplies not available on the local market

- **WARNING**: Requires adequate shipping instructions and mature transportation environment
  - Understand deployed location *customs clearance* requirements and procedures
  - Will require TCN (transportation control number) for military transportation system authorization
  - Know "frustrated cargo" POCs



Note: FAR 8.002(a)(1)(v) at the DoD level there are no mandatory FSS or wholesale supply sources/stock programs, ***however***…

Preferred method of purchase and payment is GCPC under $3K

Imprest Funds and Third Party Drafts

IMPREST FUND – Typically in cash and c

- Transaction limit $500
- Increases to $2,500 in a contingency - DFA 218.201(5)
- Simultaneous order placement and item delivery
- No detailed specs or technical inspections

THIRD PARTY DRAFTS

- Not the same as a convenience ch
  treasury bank draft or check
- Similar rules as Imprest Fund, exce
  - Transaction limit $2,500
  - Increase only as authorized via Treasury restrictions
  - Usually check (not cash) transaction
  - No automatic authorization for OCONUS contingencies

Blanket Purchase Agreements (BPA)

- Not a contract
  - Advance agreement regarding **prices** and **delivery terms**
- Each BPA call has the same legal effect as a PO and must be funded
- Two types:
  - Centralized (warranted CCOs)
  - Decentralized (Ordering Officer
- May be used for actions below and above the micro-purchase threshold
- Limit purchases to individua items or commodity groups or classes
- Not to be confused with FAR

A simple method to fill anticipated repetitive needs for supplies/services by establishing "charge accounts'' with qualified sources

- Suitable when:
  - A wide variety of items/services are purchased, but exact items, quantities, and delivery requirements ***not*** known in advance and may vary
  - Use of this procedure would avoid writing of numerous purchase orders

Decentralized Purchasing Programs

- Authorized personnel terminology:
  - **Field Ordering Officer** (FOO) and **Ordering Officer** (OO), **BPA Caller**
- Authorized to purchase items valued no more than the micro purchase threshold under the supervision of a Contracting Officer
  - Allows unit representative to make small purchases while unit is deployed
- Process:
  - Commanders request appointments for a specific period to buy specific items for a specific mission
  - Contracting Officer trains and appoints Ordering Officer in writing
    - Standards of conduct, SF 44 or 3-in1 process, and ROEs
  - Accounting & Finance Office (AFO) provides Disbursing Agent, delegates responsibility to a Paying Agent, or EFT instructions

These can be Force Multipliers for the CCO

Note: CCO has broad discretion to limit or restrict an individual's authority to values below micro purchase threshold and to certain supplies or services categories

Unauthorized Purchases and Actions

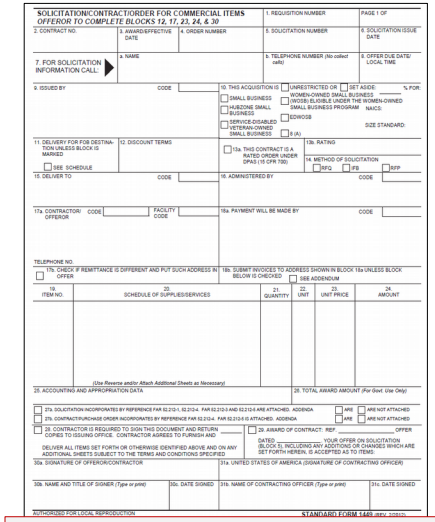
- Anything prohibited in their Letter of Appointment
- State and local taxes
  - (Exemption Letter provided at time of Appointment if applicable)
- Ammo, explosives, aviation fuel
- Personal services
- Exceeding the amount on your funding document
- Construction
- No “splitting-requirements” to avoid approved ordering threshold
- Purchases requiring more than one delivery or one

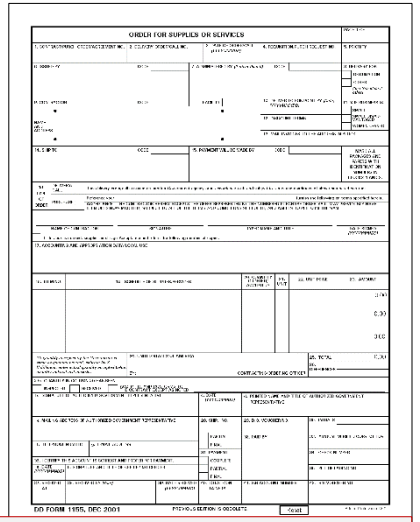
Making unauthorized purchases can lead to termination as FOO/OO, UCMJ discipline, and personal responsibility for payment

Above the Micro Purchase Threshold

The Purchase Order (PO)

- For contract actions between the Micro and SAT
- Authorized Forms:
  - SF44 Purchase Order-Invoice-Voucher
  - DD Form 1155 Order for Supplies or Services
  - SF1449 Solicitation/Contract/Order for Commercial Items
- Self-contained, one-time contract action
- May include Options
- May use Time and Material (T&M) contract


SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS
OFFER TO COMPLETE BLOCKS 12, 17, 23, 24, & 30


ORDER FOR SUPPLIES OR SERVICES

SAP Highlights

- Promote competition to the maximum extent practicable
- Solicit quotations **orally** to the maximum extent practicable
- broad discretion in fashioning evaluation procedures
- Must determine quoted price is fair and reasonable
- Consider standing price quotes
- Keep documentation to a minimum

Additional Limitations & Exceptions

Other Things to Consider and Research

FAR (DFARS) 18.1 (218.1) *Available* Acquisition Flexibilities, 18.2 (218.2) *Emergency* Acquisition Flexibilities

- Head of Contracting Activity Determination
  DFARS 218.271
- Registration in SAM
  FAR 4.1102 [18.102]
- Publication of Contract Actions
  FAR 5.002
- Synopsis Requirements
  FAR 5.202(a)(12) [18.103]
- Full and Open Competition
  FAR 6.101
- Other than Full and Open Competition
  FAR 6.302, DFARS 206.3 (see PGI)
  [18.104, 218.170(a)]
- Justification and Approval (J&A) Document
  FAR 6.303, DFARS 206.303
- Contractor Responsibility Determination
  FAR 9.103
- Fair and Reasonable Price Determination
  FAR 13.106-3 & FAR 15.406-3
  Certified Cost or Pricing Data Requirements FAR **15.403**, Price Negotiations FAR **15.405**
- Payment in Local Currency
  FAR 25.1002
- Choice of Law
  DFARS 252.233-7001
- Electronic Payment - WAWF
  DFARS 232.7002(a)
  [218.170(j), 218.203(2)]
- Use of Electronic Business Tools
  [DFARS 218.272] and see slide #22 this lesson

Add'l Limitations & Exceptions Con't

Foreign Acquisition and other OCONUS Exceptions and Requirements

- **Wage Determinations (Construction and Services)**
  FAR 19.000(b)
- **The Berry Amendment** * (food, clothing, fabrics, and hand or measuring tools)
  DFARS 225-7002-2 [DFARS 218.201(9)]: 1) below the SAT, 2) OCONUS in support of combat operations, 3) clothing and fabrics ***not*** excepted if contingency action is in the U.S.
- **Buy American Statute**
  FAR 25.001 – exception if supplies/materials are for use outside U.S. and outlying areas
  Buy American Construction Materials (FAR/DFARS 25.2/225.2): same exception, but…
- **Balance of Payments Program (BPP)**
  DFARS 225.7501: applies above the SAT. No contingency exception but there are many others
- **Insurance Requirement (Defense Base Act)**
  "War Hazards Compensation Act". FAR 228.305, DFARS 238.304 – 238.370 (see PGIs)
- **Country "First" Exceptions DFARS 225.77**
  Kuwait

Keeping Track of Contract Actions

Establishing and maintaining accurate *PIIN Logs* in accordance with DFARS 204.70 is essential in the contingency environment

A well thought out PIIN log can also be used to capture and track other key data: purchase request number; dollar value of request and award; delivery data; payments, etc.

PIIN Assignment

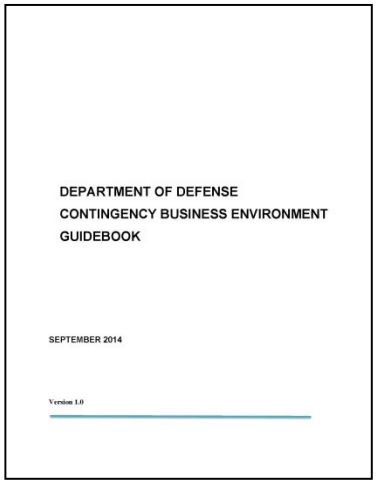
ITEM	POSITION
Activity Address Code	1 – 6
Fiscal Year (FY)	7 – 8
Type of Instrument	9
Serial Number	10 – 13
Amendments, Modifications, Call or Order Numbers (Supplemental PIINs)	4 to 6 Alpha-Numeric

N00062-17-D-0001

Contracting Unit DoDAAC | **Fiscal Year** | **Proc Type** | **Serial Number**

Contingency Business Environment

Tools	Acronym	Function
3in1 Field Ordering Officer Tool	**3-in-1**	Electronic SF44 + tracking & file management
Acquisition Cross Servicing Agreements – Global Automated Tracking and Reporting System	**AGATRS**	Provide visibility into worldwide ACSAs


DEPARTMENT OF DEFENSE
CONTINGENCY BUSINESS ENVIRONMENT
GUIDEBOOK

SEPTEMBER 2014

Version 1.0

Tools	Acronym	Function
Joint Contingency Contracting System	**JCCS**	Capture/manage contract, EFT, vendor data and posting solicitations
Contingency Acquisition Support Model	**cASM**	Requirements generation and tracking
Dollars and Sense	**D&S**	Support contract closeout outside the AO
Theater Business Clearance	**TBC**	Electronic submission of TBC packages

All CBE tools are accessed through the Joint Contingency Contracting Service (JCCS) website (https://www.jccs.gov)

Practical Exercise, Part I

NAME: Contractual Instruments Under the Simplified Acquisition Threshold (SAT)

DIRECTIONS: Each team must turn in completed forms and PIIN Logs*

RUBRIC: See exercises for point values

* PIIN logs will ***not*** be collected until the end of Part II of JTF-GGB Exercise